



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION III
841 Chestnut Building
Philadelphia, Pennsylvania 19107

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

NOV 18 1994

Mr. R.J. Adkins, President
Chesapeake Utilities Corporation
861 Silver Lake Blvd.
Dover, DE 19904

Re: **DOVER GAS LIGHT SITE: "Special Notice" for
Negotiations for Remedial Design & Remedial Action/
Demand for Payment of Costs**

Dear Mr. Adkins:

This letter relates to the liability of Chesapeake Utilities Corporation ["Chesapeake"] in connection with the Dover Gas Light Site, Dover, Delaware ["Site"].

INTRODUCTION

The United States Environmental Protection Agency ["EPA" or "Agency"] has conducted and overseen activities undertaken at the Site in response to the release and/or threat of release of hazardous substances, pollutants, or contaminants into the environment. By letter dated June 3, 1987, EPA notified Chesapeake of its potential liability for such response action pursuant to section 107 of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended ["CERCLA"], 42 U.S.C. § 9607. EPA has selected remedial action for implementation at the Site, which remedial action is described in a document called a Record of Decision ["ROD"] issued by EPA on August 16, 1994. EPA is now contacting you in an attempt to resolve Chesapeake's liability with respect to the above-captioned matter. Toward that end, this letter contains:

1. A formal demand for reimbursement of costs that have been paid (including interest thereon) and that are to be paid (which are subject to interest) in conducting and/or overseeing response actions at the Site (Demand for Payment);
2. Notification that a limited period of formal negotiations for an agreement under which Chesapeake will implement the requirements of the ROD begins with your receipt of this letter (Special Notice);
3. General and site-specific information to assist you in these negotiations; and

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4. A proposed consent decree, and proposed administrative consent order, as described below.

DEMAND FOR PAYMENT

As of July 10, 1993, EPA has incurred and paid costs in excess of \$119,488.37 for response activities related to the Site. Although this figure may not include all applicable costs incurred and paid to date, the figure represents EPA's most recent calculation. Furthermore, additional costs, including oversight and related enforcement costs may continue to be incurred.

By this letter, EPA demands that Chesapeake reimburse the Agency for past costs of at least \$119,488.37, plus pre-judgment interest. Failure to pay, or delay in payment, may subject Chesapeake to liability for increased costs associated with these past costs including, but not limited to, interest and enforcement costs. Interest on amounts recoverable begins to accrue as of the date of receipt of this letter as provided by section 107(a) of CERCLA, 42 U.S.C. § 9607(a).

You may contact the following person to arrange for payment of the above-described costs:

Patricia C. Miller
Senior Assistant Regional Counsel (3RC22)
U.S. Environmental Protection Agency
841 Chestnut Building
Philadelphia, PA 19107
215-597-3440

SPECIAL NOTICE NEGOTIATIONS MORATORIUM

EPA has determined that use of the "special notice" procedures specified in section 122 of CERCLA, 42 U.S.C. § 9622, will facilitate a settlement between EPA and Chesapeake for implementation of this remedial action at the Site. Therefore, pursuant to that section, your receipt of this letter triggers a sixty (60) day moratorium on certain EPA response activities at the Site. During this sixty (60) day period, Chesapeake is invited to submit a good faith proposal (defined below) to conduct and/or finance such remedial action and negotiate a consent decree (described below) under which Chesapeake will perform such work. If EPA determines that such a good faith offer has been timely received, the Agency will provide an additional sixty (60) days to finalize the consent decree. When approved by EPA and the United States Department of Justice, the consent decree will then be filed in Federal district court.

EPA encourages Chesapeake's participation by submitting a good faith proposal as defined below.

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Good Faith Proposal

A good faith proposal to conduct or finance the remedial action is a written proposal that demonstrates Chesapeake's qualifications and willingness to perform such work and includes each of the following elements:

1. A statement of willingness and financial ability by Chesapeake to implement the requirements of the ROD and proposed consent decree;
2. A demonstration of Chesapeake's technical capability to conduct the work, including the identification of the firm(s) Chesapeake intends to retain to conduct all or portions of such work or a description of the process you will use to select the firm(s);
3. A statement of Chesapeake's willingness and ability to reimburse EPA for costs incurred in overseeing the performance of the work as well as EPA's past costs, plus pre-judgement interest (as described above);
4. Comments, if any, on the proposed consent decree and on the proposed administrative order (see below);
5. The name, address, telephone, and telefax number (if any) of the person(s) who will represent Chesapeake in negotiations for a consent decree.

Consent Decree

Section 122(d)(1)(A) of CERCLA, 42 U.S.C. § 9622(d)(1)(A), requires that settlements for remedial action be entered in the appropriate Federal district court in the form of a consent decree. Enclosed with this letter you will find a site-specific draft of EPA's model consent decree. This model provides boilerplate language for most provisions in order to standardize CERCLA consent decrees as much as possible and expedite CERCLA settlements. The United States will commence negotiations with a document containing language which, for the most part, is the same language the government will expect in a final settlement because it reflects legal and procedural terms that have been found acceptable to both EPA and the regulated community in a large number of situations. Your decision to submit a good faith proposal to perform the work should be made with the understanding that the terms appearing in the draft consent decree are substantially the terms which EPA expects to appear in the final settlement.

Also enclosed find a proposed administrative consent order ("Order") which provides that Chesapeake will commence remedial design activities upon the effective date of the Order. The Order need not be entered in Federal district court and will

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enable Chesapeake to commence design activities prior to entry of the remedial action consent decree. The Order will remain in effect until the consent decree is entered. EPA encourages Chesapeake to enter into such an Order.

PRP Steering Committee

EPA encourages good-faith negotiations between Chesapeake and EPA and between Chesapeake and other potentially responsible parties ["PRPs"]. To facilitate these negotiations, EPA has enclosed a list of other PRPs to whom this notification has been sent. Inclusion on, or exclusion from, this list does not constitute a final determination by EPA concerning the liability of any party with respect to the Site.

EPA recommends that all PRPs meet to select a steering committee responsible for representing the group's interests. Establishing a manageable group is very important for successful negotiations with EPA.

PRP Response/EPA Contact Person

Chesapeake is encouraged to contact EPA as soon as possible to state its willingness to participate in negotiations relating to the Site. Specifically, Chesapeake has sixty (60) calendar days from receipt of this letter to provide EPA with a written proposal as described above. You may respond individually or through a steering committee if such a committee has been formed. If EPA does not receive a timely response, EPA will assume that Chesapeake does not wish to negotiate a resolution of its liabilities in this matter and that Chesapeake has declined any involvement in performing the response activities described above. In such event, EPA may, among other things, issue an administrative order directing Chesapeake to perform the response action; seek to file an action in Federal district court to obtain a court order directing Chesapeake to perform the response action; and/or perform such response action and seek reimbursement from liable parties.

If a proposal is submitted which EPA determines is not a good faith offer, you will be notified in writing of EPA's decision to end the negotiations moratorium and the reasons therefor. Chesapeake may be liable for performing the response action pursuant to a unilateral administrative order or court order and/or reimbursing EPA for the cost of response actions performed by EPA.

Your response to this letter, including written proposals to perform the remedial action selected for the Site, should be sent to:

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Randy Sturgeon (3HW42)
Remedial Project Manager
U.S. Environmental Protection Agency
841 Chestnut Building
Philadelphia, PA 19107
(215) 597-0978

ADMINISTRATIVE RECORD

Pursuant to section 113(k) of CERCLA, 42 U.S.C. § 9613(k), EPA has established an administrative record which contains documents forming the basis of EPA's selection of response action for the Site. The administrative record file is available to the public for inspection and comment. You may wish to review the administrative record to assist you in responding to this letter, but your review should not delay such response. Copies of the file are located both at the EPA Region III office and:

State Library of Delaware
43 South DuPont Highway
Dover, DE 19901
302-739-4748


Dover Public Library
45 South State Street
Dover, DE 19901
302-736-7030

EPA will consider comments received, if any, after the close of the comment period in accordance with 40 C.F.R. § 300.825.

Note that this letter may pertain to one of several operable units requiring response at the Site. Unless otherwise specified herein, this letter does not apply to any other operable unit at the Site or any other site.

The factual and legal discussions contained in this letter are intended solely for notification and information purposes. They are not intended to be and cannot be relied upon as final EPA positions on any matter set forth herein. If you or your attorney have any questions pertaining to this matter, please call Patricia C. Miller at 215-597-3440.

Sincerely,


Abraham Ferdas, Associate Division
Director for Superfund Programs

cc: Robert Kuehl (DNREC)
Steve Johnson (DNREC)
Jill Fallon (DOI)
Mark Barash (DOI)
Kirsten Erickson (NOAA)
Patricia C. Miller (EPA)

Enclosure: Draft Consent Decree
Draft Administrative Order on Consent

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**List of Potentially Responsible Parties (PRPs)
Dover Gas Light Superfund Site**

Mr. R.J. Adkins, President
Chesapeake Utilities Corporation
861 Silver Lake Blvd.
Dover, DE 19904

Secretary Edward Freel
State of Delaware
Department of State
P.O. Box 1401
Dover, DE 19903

Mr. Stuart Outten
Capitol Cleaners & Launderers, Inc.
195 Commerce Way
Enterprise Business Park
Dover, DE 19903

Mr. Daniel J. McCarty, President
The William Underwood Company
400 South 4th Street
St. Louis, MO 63102

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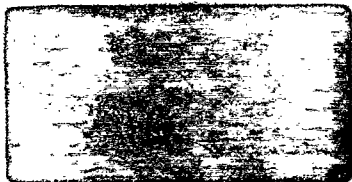


**Receipt for
Certified Mail**

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Mr. R. J. Adkins, President	
Street and No.	
861 Silver Lake Blvd	
P.O., State and ZIP Code	
Dover, DE 19904	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	
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PS Form 3800, June 1991



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- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

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P 379 616 697

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- ☐ Registered ☐ COD
- ☐ Express Mail ☐ Return Receipt Merchandise

7. Date of Delivery

11-28-91

8. Addressee's Address (Only if requested and fee is paid)

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5. Signature (Addressee)

6. Signature (Agent)

3. Article Addressed to:
Mr. R.J. ADKINS, PRESIDENT
CHESAPEAKE UTILITIES CORPORATION
861 SILVER LAKE BLVD
DOVER, DE 19904

PS Form 3811, December 1991

*U.S. GPO: 1992-323-402

DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service.